



# Attorney General

1275 WEST WASHINGTON

Phoenix, Arizona 85007

Robert R. Corbin

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ARIZONA ATTORNEY GENERAL

March 12, 1984

Mr. Ray McAuley  
Assistant Director  
Arizona Veterans' Memorial  
Coliseum and State Fair  
1826 West McDowell  
Phoenix, Arizona 85005

Re: I84 -038 (R84-003)

Dear Mr. McAuley:

You have asked whether the Coliseum may invest the surplus or temporarily unused funds received from its bond project of 1964 in federally-insured certificates of deposit or federally-guaranteed mortgages. Article VI of the Bond Resolution ("Resolution")—which imposes restrictions upon use of the funds allows the Coliseum Board ("Board")<sup>1</sup> to invest unused funds as follows:

[I]n obligations of the United States government, or obligations of agencies of the government where the interest and principal due on such obligation is fully guaranteed by the United States government.

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1. A.R.S. § 3-1005(A) provides in part:

Monies received by the [Coliseum] Board, other than those referred to in paragraph 8 of § 3-1003 [gifts] and other than those received by the Board as ticket sales pursuant to a valid lease of the Coliseum, shall be deposited promptly with the State Treasurer, who shall credit the deposits to the Arizona Coliseum and Exposition Center fund, which shall be under full control and jurisdiction of the Board.

Both the Board and the State Treasurer have interpreted this section to mean that the Coliseum retains full control over the choice of investment.

Thus, the Resolution places two restrictions upon the types of obligations which qualify for investment of unused bond funds: (1) obligations of the United States government or (2) obligations of agencies of the government which are fully guaranteed by the United States government.

You have asked whether certificates of deposit insured by the Federal Deposit Insurance Corporation and federally-guaranteed mortgages qualify as obligations for which the principal and interest are "fully guaranteed by the United States government" so as to fit within the criteria set forth in the Resolution. However, we do not need to determine whether these obligations are fully guaranteed as required by the Resolution since we conclude that investment in these obligations is not permitted by the first restriction of the Resolution which allows investment only in obligations of the United States or its agencies.

Certificates of deposit and mortgages are neither obligations of the United States nor obligations of agencies of the United States. Accordingly, by the terms of the Article VI Resolution governing the investment of funds in the 1964 bond project, the Coliseum may not invest bond project funds in certificates of deposit or mortgages regardless of whether they are fully guaranteed as required by the Resolution.

Sincerely,



BOB CORBIN  
Attorney General

BC/DR/pd